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Telephone Douglas 0062

Address editorial communications to Dr. George H. Kress as per above address; advertising and business communications to the Secretary-Treasurer, Dr. Frederick C. Warnshuis, also at the above address.

EDITOR GEORGE H. KRESS

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EDITORIALS*

ANNUAL SESSION AT YOSEMITE: MAY 13-16

Final Plea for Attendance.—This is a "last call" for the annual session of the California Medical Association, to be held this year at Yosemite National Park, commencing Monday, May 13 and continuing through Thursday, May 16.

Last month's issue of CALIFORNIA AND WESTERN MEDICINE contained the complete scientific and other programs, together with the "Pre-Convention Bulletin" reports of officers and committees; and it is to be hoped that the information therein has already induced many members, who had not contemplated attendance, to change their plans and go. All that has been said of the anticipated pleasure and value of this year's annual session still holds true. Members of the Association, therefore, who are in doubt about going to Yosemite are urged to scan again the April issue program and, while still under the spell of the attractions noted, to pack their grips, preparatory to joining their fellows in what promises to be a well-attended series of noteworthy meetings.

* Editorials on subjects of scientific and clinical interest, contributed by members of the California Medical Association, are printed in the Editorial Comments column, which follows.

CALIFORNIA'S HEALTH INSURANCE BILL (S. B. 454)

Health Insurance Commission Act (S. B. 454) Introduced on April 12.—The *Senate Daily Journal* of the forty-sixth legislative day (April 12, 1935), contained 197 pages, all but twenty-five of which were given over to a discussion of the need of a proposed law (embodied in Senate Bill 454), providing for "State Health Insurance Service, including the establishing of a Health Insurance Commission and prescribing the powers. . . ." The 172 pages contained a draft of S. B. 454, printing, on pages 38 to 55, some sixteen pages of amendments to the original skeleton bill.¹ Many more amendments will be introduced, no doubt. Mention is made of this to indicate how difficult it is to whip into form a measure such as this, for which so much pioneering must be done in order to make the plan conform both to American legal procedures and also the standards of American civilization and custom.

* * *

An Outline of the Health Insurance Topics Discussed in the Senate Daily Journal.—In turning the pages of the *Senate Daily Journal*, the "Report of the Senate Committee on Investigation of the High Cost of Sickness" is found to contain a large number of items, the nature of which may be judged by the following list:

Page 23: Report to the Senate by the Interim Committee, under date of April 12, 1935.

Page 27: Remarks on "How Can the Legislature Bring Hospital Service within the Reach of Persons of Average Income?"

Page 28: "Facts Found by the California Medical Economic Survey."

Page 34: Remarks on "Economy Security and Health Insurance."

Page 38: Amendments to Senate Bill 454.²

Page 55:³ Appendix A—"Is Health Insurance Coming to California?" Address given by Senator E. H. Tickle at the University of California Western Conference on Government, Thursday, March 28, 1934.

Page 58: Appendix B—"Opening Statement by Senator Edward H. Tickle at Public Hearing of Senate Committee on Investigation of the High Cost of Sickness held Friday, December 14, 1934, State Building, Civic Center, San Francisco, California."

Page 102: Appendix C—Miscellaneous Resolutions by Interim Committee, California Medical Association House of Delegates and other organizations.

Page 105: Appendix D—"California Medical-Economic Survey."⁴

¹ Senate Bill 454 was introduced as a "skeleton" bill on January 25, 1935, as follows: "An Act to provide for the establishment and administration of a system of health insurance for persons in certain income groups."

The new title, as amended on April 15, 1935, now reads: "An Act to provide for the establishment and administration of a system of State Health Service Insurance, including the establishing of a Health Service Insurance Commission and prescribing the powers, duties and functions thereof, the establishing of a Health Service Insurance Fund and providing for certain payments thereto, the prescribing of methods and conditions under which professional or other services may be rendered, the regulation of certain persons, firms, associations, and corporations, the making of an appropriation, the enforcement of the provisions hereof, penalties for the violation of the provisions hereof, and repealing acts in conflict herewith."

² Pages 38 to 55, inclusive, cover Senate Bill 454, as amended and submitted by Senators Williams, Tickle, and Difani.

³ Pages 55 to 195 are appendices, presumably prepared by the Coordinator—Secretary of the Interim Committee, Celestine J. Sullivan, LL.D.

⁴ This contains selected facts from the report of the survey staff of the Committee of Five of the California Medical Association and the field survey of the California State Board of Health. Twenty-six tables are included in this section.

- Page 129: Appendix E—A thirty-eight-page section of figures, diagrams, and charts, based on the California Medical Association Medical-Economic Survey.
- Page 167: Appendix F—"Some Compulsory National Plans, Showing Country and Years of Principal Laws."
- Page 176: Appendix G—"Anachronistic Attitude of American Medical Association at Chicago."
- Page 181: Appendix H (two parts)—Part I: "The Doctor and the State" by Morris Fishbein, M. D., Editor, *Journal of the American Medical Association*, Part II: "Doctors, Patients, and the Community" by William Trufant Foster, LL.D., formerly president of Reed College, and since 1920 Director of the Pollak Foundation for Economic Research.
- Page 192: Appendix I—Two Cartoons: One from the *San Francisco News*, the other from the *San Francisco Chronicle*.
- Pages 194 to 196: Appendix J—"Condensed List of Publications Consulted."

We have listed the above in order that those readers of CALIFORNIA AND WESTERN MEDICINE who do not have access to the April 12 issue of the *Senate Daily Journal* report referred to may be the better able to visualize the nature of this important communication.

* * *

The Labors of the Committee of Six.—The Committee of Six (Dr. Junius B. Harris, Sacramento; Dr. Fred R. DeLappe, Modesto; Dr. E. T. Remmen, Glendale; Dr. Walter B. Coffey, San Francisco; Dr. T. Henshaw Kelly, San Francisco, and Dr. Joseph Catton, San Francisco), on behalf of the House of Delegates has had an onerous, even though interesting task to perform; and it has earned the generous appreciation of the five thousand members of the California Medical Association. Indeed, the labors of the Committee of Six are not yet ended, for its members must now faithfully study all proposed amendments and make certain that the changes suggested will not depart from the stipulations laid down in Ingber Resolution No. 2.⁵

* * *

A Progress Report Will Be Made at the Yosemite Annual Session.—By the time this year's annual session has convened at Yosemite (on May 13), much more will be known of the course S. B. 454 is taking through both houses of the California Legislature. The Committee of Six and Council will then make a progress report, and this should prove of exceptional interest to all members of the Association.

AN IMPORTANT INDUSTRIAL MEDICAL PRACTICE PROBLEM

The Proposal to Lower the Industrial Accident Fee Table.—In the April number of CALIFORNIA AND WESTERN MEDICINE (pages 273-274), under the caption, "Proposal to Lower State Compensation Fund Fees," comment was made on several resolutions of protest against proposed reductions in the fee table of the California State Industrial Accident Commission.

* * *

Resolutions of the California Medical Association Council.—The attention of members of the Association is again called to several paragraphs

contained in the resolutions adopted by the Council of the California Medical Association, and mentioning as follows certain violations of the code of ethics, which had crept into industrial accident work:

WHEREAS, Certain physicians and surgeons, some being members of the California Medical Association, have been guilty of cutting fees below the official fee schedule, and/or have made a practice of underbidding for industrial accident work other members of our profession and/or have been guilty of rebating to the insurance companies; now, therefore, be it

Resolved, By the Council of the California Medical Association:

1. That the Council make strong protest to the Industrial Accident Commission against reduction of fees;
2. That the members of the medical profession be advised of their responsibility in the matter;
3. That the fee schedule be reviewed and adequate arguments for adherence thereto be emphasized; and
4. That the Industrial Accident Commission be requested to adhere to the fee schedule itself in all its departments, and to require recognition of the schedule of insurance companies; and be it further . . .

* * *

Rebates and Discounts Not Known in the Year 1914.—It is interesting to note that when, in the year 1914, the House of Delegates of the Medical Society of the State of California (California Medical Association), approved the fee table which had been worked out in conference with the first California Industrial Accident Commission, the unethical practice which at that time was prohibited had to do only with "contract practice."* In other words, the evil of rebates and discounts, given by individuals or groups of physicians to insurance carriers, was not foreseen or appreciated in that day; receiving, therefore, no mention by the Delegates. However, in the years that have since come and gone, it has become more and more apparent that the discount and rebate practice, of which certain physicians have been guilty, was perhaps the most demoralizing of all the influences that have played a part in the recurrent printed and spoken scandals cropping up, from time to time, in industrial medical practice. That these unethical and unwholesome methods have grown worse, instead of better, is shown by the statements printed some weeks ago in the San Francisco newspapers; wherein, among other things, Manager Day of the State Compensation Fund was quoted as saying that the reason the State Compensation Fund felt that a reduction in the industrial fee table was very necessary, was due to these rebate and discount practices. These enabled certain insurance carriers, other than the State Compensation Fund (an insurance carrier owned and operated by the State of California), to secure competitive business by offering lower rates; such reduced rates being made possible because of rebates and discounts on professional services rendered by the physicians employed by such carriers.

* * *

The Question Before the Medical Profession.—The question, therefore, now before the medical

* See Reference Committee report in the minutes of the House of Delegates, as printed in the July, 1914, issue of the *Journal of the Medical Society of the State of California* (former name of CALIFORNIA AND WESTERN MEDICINE).

⁵ This resolution was printed on page 187 of the March CALIFORNIA AND WESTERN MEDICINE.